

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature <i>Hennrich A. Berthiaume</i>	Printed Name		License Number	

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

## **FINANCIAL STATEMENTS**

February 29, 2008

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

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## INDEPENDENT AUDITORS' REPORT

To the Members of the Council  
Southern Links Trailway Management Council  
Millington, Michigan

We have audited the accompanying basic financial statements of the Southern Links Trailway Management Council, as of and for the year ended February 29, 2008 as listed in the table of contents. These financial statements are the responsibility of Southern Links Trailway Management Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southern Links Trailway Management Council, as of February 29, 2008, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

The Southern Links Trailway Management Council has not presented a Management's Discussion and Analysis that the Government Accounting Standards Board has determined is necessary to supplement, although not a required part of, the financial statements.

*Berthiaume & Co.*

May 15, 2008

## ***BASIC FINANCIAL STATEMENTS***

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

## **STATEMENT OF NET ASSETS**

February 29, 2008

	<i><u>Governmental</u></i> <i><u>Fund</u></i>	<i><u>Adjustments</u></i> <i><u>(Note 6)</u></i>	<i><u>Statement of</u></i> <i><u>Net Assets</u></i>
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,862	\$ -	\$ 2,862
Escrow deposit	8,900	-	8,900
Capital assets:			
Nondepreciable capital assets	<u>-</u>	<u>1,235,702</u>	<u>1,235,702</u>
 Total assets	 <u>\$ 11,762</u>	 <u>1,235,702</u>	 <u>1,247,464</u>
 <b>Liabilities and Fund Balance:</b>			
<b>Liabilities:</b>			
Accounts payable	8,571	-	8,571
Long-term liabilities:			
Due within one year		15,000	15,000
Due in more than one year	<u>-</u>	<u>19,000</u>	<u>19,000</u>
 Total liabilities	 <u>8,571</u>	 <u>34,000</u>	 <u>42,571</u>
 <b>Fund Balance:</b>			
Unreserved	<u>3,191</u>	<u>(3,191)</u>	<u>-</u>
 Total fund balance	 <u>3,191</u>		
 Total liabilities and fund balance	 <u>\$ 11,762</u>		
 <b>Net assets:</b>			
Invested in capital assets		1,201,702	1,201,702
Unrestricted		<u>3,191</u>	<u>3,191</u>
 Total net assets		 <u>\$ 1,204,893</u>	 <u>\$ 1,204,893</u>

*The accompanying notes are an integral part of these financial statements.*

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

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## **STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

Year Ended February 29, 2008

	<i><u>Governmental Fund</u></i>	<i><u>Adjustments (Note 6)</u></i>	<i><u>Statement of Activities</u></i>
<b>Revenues:</b>			
Contributions from participating units	\$ 22,500	\$ -	\$ 22,500
Federal grants	380,592	-	380,592
State grants	95,148	-	95,148
Contributions and donations	<u>13,945</u>	<u>-</u>	<u>13,945</u>
Total revenues/program revenues	<u>512,185</u>	<u>-</u>	<u>512,185</u>
<b>Expenditures/Expenses:</b>			
Recreation:			
Operations	26,945	-	26,945
Capital outlay	516,522	(516,522)	-
Debt service	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
Total expenditures/expenses	<u>549,467</u>	<u>(522,522)</u>	<u>26,945</u>
Excess of revenues over (under) expenditures/expenses	(37,282)	522,522	485,240
<b>Other financing sources (uses)</b>			
Proceeds from contract	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance/net assets	2,718	482,522	485,240
Fund balance/net assets, beginning of year	<u>473</u>	<u>719,180</u>	<u>719,653</u>
Fund balance/net assets, end of year	<u>\$ 3,191</u>	<u>\$ 1,201,702</u>	<u>\$ 1,204,893</u>

*The accompanying notes are an integral part of these financial statements.*

***NOTES TO FINANCIAL STATEMENTS***



# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

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## **NOTES TO FINANCIAL STATEMENTS**

February 29, 2008

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Southern Links Trailway Management Council conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

#### **Reporting Entity:**

The Southern Links Trailway Management Council was created in May, 2003 under the provisions of the Urban Cooperation ACT of 1967, 1967 PA 7, as amended ("Act 7), and Part 721 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("ACT 451"), by and between the Townships of Forest, Marathon, and Millington; the Villages of Millington, Otter Lake, and Columbiaville, for the purpose of establishing and providing the powers and duties of the Southern Links Trailway Management Council (the "Council") The Council was created to operate and maintain the Southern Links Trailway. The governing body of the Council is made up of two voting representatives from each municipality for a total of fourteen council members.

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 these financial statements of the Council include all activities for which the Council has oversight responsibility. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the statements would be misleading if data were not included. The Council has determined that no outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Council's financial statements.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation:**

The Council engages in only governmental type activities.

The government-wide financial statements (i.e. the Statement of Net Assets and Statement of Activities) are reported using the economic resource measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is uncured, regardless of the timing of related cash flows. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures related to compensated absences and claims and judgments, if any, are recorded only when payment is due.

#### **Assets, Liabilities and Equity:**

**Deposits** – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short term investments with a maturity of three months or less when acquired.

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

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## **NOTES TO FINANCIAL STATEMENTS, CONTINUED**

February 29, 2008

**Capital Assets** – Purchased capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Council defines capital assets as assets with an initial individual cost in excess of \$1,000 and an estimated useful life in excess of two years. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The Council currently has no depreciable capital assets.

**Long-term Obligations** – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities.

### **Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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## **NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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The Uniform Budgetary and Accounting Act, PA 2 of 1968, as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

During the year, the Council incurred no expenditures which were in excess of the amounts appropriated.

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## **NOTE 3: DEPOSITS**

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Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency of instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Council is in accordance with Public Act 196 of 1997. The Council's deposits and investments have been made in accordance with statutory authority.

The Council's deposits are subject to custodial risk, which is presented in more detail as follows:

### **Custodial Credit Risk of Bank Deposits:**

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to them. The Council does not have a deposit policy for custodial credit risk. At year end, the Council had \$2,862 of bank deposits (certificates of deposit, checking, and savings accounts), of which \$2,862 was covered by federal depository insurance and the remainder was uninsured and uncollateralized.

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

## **NOTES TO FINANCIAL STATEMENTS, CONTINUED**

February 29, 2008

### **NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended February 29, 2008 was as follows:

	<i>Balance March 1, 2007</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balance February 29, 2008</i>
<b>Governmental activities:</b>				
Nondepreciable capital assets:				
Land	\$ 719,180	\$ 516,522	\$ -	\$ 1,235,702

### **NOTE 5: LONG-TERM LIABILITIES**

The Council entered into a contract to provide for the acquisition of land for the railway.

Long-term liabilities at February 29, 2008 consisted of the following:

<i>Type of Indebtedness</i>	<i>Maturity</i>	<i>Interest Rates</i>	<i>Annual Principal Installments</i>	<i>Original Issue Amount</i>
<b>Contract payable:</b>				
Land purchase	4/1/08-4/1/09	0.00%	\$6,000-19,000	\$ 40,000

The following is a summary of long-term liabilities transactions for the year ended February 29, 2008:

<i>Type of Indebtedness</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<b>Contract payable:</b>					
Land purchase	\$ -	\$ 40,000	\$ (6,000)	\$ 34,000	\$ 15,000

Annual debt service requirements to maturity for the above bond and contractual obligations are as follows:

<i>Year Ended February 28,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2009	\$ 15,000	\$ -	\$ 15,000
2010	19,000	-	19,000
	<u>\$ 34,000</u>	<u>\$ -</u>	<u>\$ 34,000</u>

### **NOTE 6: RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. Each member unit of the Council is responsible for purchasing insurance to cover any potential claims associated with these risks associated with the portion of the railway that lies within their boundry.

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

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## **NOTES TO FINANCIAL STATEMENTS, continued**

February 29, 2008

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### **NOTE 7: RECONCILIATION OF FUND AND GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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#### **Reconciliation of differences between the fund (modified accrual) balance sheet and the government-wide statement of net assets.**

Fund balance, February 28, 2008	\$ 3,191
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	1,235,702
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:	
Contract payable	<u>(34,000)</u>
Net assets, February 29, 2008	<u><u>\$ 1,204,893</u></u>

#### **Reconciliation of differences between the fund (modified accrual) statement of revenues, expenditures and changes in fund balance and the government-wide statement of net activities.**

Net change in fund balance, modified accrual, for the year ended February 29, 2008	\$ 2,718
Total change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	516,522
Contract proceeds are revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net assets.	(40,000)
Repayments of principal on long-term obligations are expenditures in governmental but the payments reduce long-term liabilities in the statement of net assets.	<u>6,000</u>
Change in net assets, for the year ended February 29, 2008	<u><u>\$ 485,240</u></u>

***REQUIRED SUPPLEMENTAL INFORMATION***

# **SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL**

## *OPERATING FUND*

### **BUDGETARY COMPARISON SCHEDULE**

Year Ended February 29, 2008

	<i>Budgeted Amounts</i>			<i>Actual Over (Under)</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
<b>Revenues:</b>				
Federal grants	\$ 400,000	\$ 400,000	\$ 380,592	\$ (19,408)
State grants	100,000	100,000	95,148	(4,852)
Contributions from other units	25,000	20,000	22,500	2,500
Other revenue	-	10,000	13,945	3,945
Total revenues	525,000	530,000	512,185	(17,815)
<b>Expenditures:</b>				
Current				
Recreation	25,000	30,000	26,945	(3,055)
Capital outlay	500,000	540,000	516,522	(23,478)
Debt service				
Principal	-	-	6,000	6,000
Total expenditures	525,000	570,000	549,467	(20,533)
Excess (deficiency) of revenues over expenditures	-	(40,000)	(37,282)	2,718
<b>Other financing sources (uses):</b>				
Proceeds from contract	-	40,000	40,000	-
Net change in fund balance	-	-	2,718	2,718
Fund balance, beginning of year	473	473	473	-
Fund balance, end of year	\$ 473	\$ 473	\$ 3,191	\$ 2,718



**REQUIRED COMMUNICATION TO  
THE SOUTHERN LINKS TRAILWAY MANAGEMENT COUNCIL  
IN ACCORDANCE WITH PROFESSIONAL STANDARDS**

To the Trailway Management Council  
Southern Links Trailway Management Council

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Links Trailway Management Council for the year ended February 29, 2008, and have issued our report thereon dated May 15, 2008. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated March 24, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

**Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Southern Links Trailway Management Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

**Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

**Disclosures**

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users.

**Difficulties Encountered in Performing the Audit**

We encountered no difficulties in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, if any.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated May 15, 2008.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Internal Control Matters**

In planning and performing our audit of the financial statements of the Southern Links Trailway Management Council as of and for the year ended February 29, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Southern Links Trailway Management Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that misstatement of the Organization's



financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined above.

Deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above, follow:

Recording, Processing and Summarizing Accounting Data

Criteria: All governments are required to have in place internal controls over recording, processing, summarizing accounting data and preparing financial statements. SAS No. 112 requires us to communicate with you about this.

Conditions: As is the case with many smaller and medium-sized entities, the government has historically relied on its independent external auditors to assist in the recording, processing, summarizing accounting data and preparing financial statements as part of its external financial reporting process. Accordingly, the government has placed reliance on its external auditors, who cannot by definition be considered a part of the government's internal controls.

Cause: This condition was caused by the government's decision that it is more cost effective to have external auditors recommend the necessary adjusting journal entries to its general ledger and prepare the financial statements than to incur the time and expense for the government to perform these tasks internally.

Effect: As a result of this condition, the government lacks internal controls over the recording, processing, summarizing accounting data and preparing financial statements, and instead relied, in part, on its external auditors for assistance with this task.

View of Responsible Officials: The government has evaluated the cost versus benefit of establishing internal controls over the recording, processing, summarizing accounting data and preparing financial statements, and determined that it is in the best interests of the government to rely on its external auditors to recommend the necessary adjustments and preparation of the financial statements.

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This communication is intended solely for the information and use of management, Council, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Berthiaume & Co.*

Berthiaume & Company  
Certified Public Accountants

Saginaw, Michigan  
May 15, 2008